

Cultural Policy in the Streaming Era: Quotas, Subsidies, and Diversity in Film Industries

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ABSTRACT

The rapid expansion of streaming platforms has fundamentally reshaped global film industries, challenging traditional modes of production, distribution, and exhibition while intensifying debates around cultural policy. This study examines the role of quotas and subsidies as key policy instruments for promoting domestic film industries and enhancing cultural diversity in the streaming era. Drawing on comparative international experiences, the paper highlights how quotas, through mechanisms such as minimum local content requirements and expenditure obligations, seek to correct imbalances in content visibility and access, while subsidies provide critical financial support to sustain domestic production and creative ecosystems. However, the dominance of global streaming platforms, coupled with evolving consumption patterns and regulatory gaps, complicates the effectiveness of these measures. The analysis further unpacks the multidimensional concept of diversity, spanning representation on-screen, participation behind the camera, audience inclusion, and the plurality of narratives. It underscores the persistent gap between policy objectives and industry practices, as well as the need for more robust evaluation frameworks to assess both cultural and economic impacts. Ultimately, the paper argues that while quotas and subsidies remain vital, their design and implementation must adapt to the transnational and digital nature of the streaming landscape to ensure a balanced ecosystem that fosters local creativity, fair competition, and meaningful cultural representation.

Keywords: Cultural Policy, Streaming Platforms, Film Industry, Quotas and Subsidies, and Cultural Diversity.

INTRODUCTION

As the world's most popular screen medium, film plays a crucial economic and cultural role across societies and is particularly relevant to demand for streaming video services [1]. By 2021, the global streaming video-on-demand (SVOD) industry was valued at more than USD200 billion, and the number of subscribers exceeded 1.1 billion. Today, streaming services distribute more theatrical films than traditional cinemas, yet film remains underrepresented in catalogue offerings, not only is the quantity of film content smaller compared to television series, but many titles are offered for limited time periods [2]. The unequal competition between audiovisual types is further compounded by the existence of shorter cinematic windows in some markets. The extent of the asymmetry can be inferred from data across the twelve largest SVOD platforms: film makes up an average of 20% of the total catalogue and 32% of the library platform, while over 90% of spending goes toward series. Approximately 75% of adult consumers now subscribe to at least one SVOD service, and 30% subscribe to two or more [2]. The share of the viewing time and attention devoted to streaming consumption has continued to grow. Film markets appear to be experiencing major disruption as a result of this transformation, at least in some countries [3]. Linked to this environmental shift, the digital platform economy and increased demand for video services have highlighted the need to review and adapt cultural policies across the world. As many have pointed out, the increasing dominance of a few large global platforms and of the vast amounts of audio-visual content and user data they control large amounts of audio-visual content and user data they increasingly control has raised widespread concern across the world [3]. Both policy makers and civil society organisations seek to introduce

proposals to sustain or promote domestic creative industries and involvement of local artists. International consensus is also rapidly evolving to reflect the urgent need for and unmistakable importance of communication in a number of arenas, including fostering intercultural dialogue, countering hate speech and misinformation, and respecting human rights in online environments[3]. Expanding demand for video services driven by economic and digital platform-based growth is prompting a new appreciation for the distinct contributions and diverse benefits of individual audiovisual sectors, artforms or genres, and media. Such a shift calls for fresh examination of cultural policy options in general and for the film sector in particular [1]. Current discussions address a range of broad policy goals, including commercial viability, economic support or grants, sustainability, audience access, and cultural diversity, besides a narrow, initial focus on platform dominance and globalisation. Many importantly underscore the aims of enhancing diversity and of favouring and advancing domestic productions and players, wide-ranging within the production-distribution-viewing-value-chain nexus but nonetheless interrelated [2]. This work concentrates specifically on cultural policy measures for achieving these two objectives. Drawing upon international experience and data, and holistically considering the entire chain from production to exhibition, the following analysis addresses the policy options of quotas and subsidies for advancing domestic film production, distribution and exhibition [1]. The preceding paragraphs serve to outline the main research questions, theoretical perspectives, and methodological approaches, to specify the scope of investigation and to clarify key definitions. ‘Streaming era’ refers to increasingly widespread viewing of video content via digital platforms. ‘Quotas’ denotes different types of regulatory obligations imposed on firms seeking to enter or to operate within domestic audiovisual markets, each of which can affect both domestic production and consumer access to domestic works. ‘Subsidies’ describes direct, budgetary support for domestic audiovisual firms, at various nodes in the chain from production to exhibition and in various forms, such as grants, loans, and tax rebates [2]. Economic, regulatory, and technical arrangements, platform power, and the film-television substitution debate also warrant attention in contemporary cultural policy discourse [1, 2].

The Streaming Era: Transformation of Film Markets and Cultural Policy

The late 2010s mark a significant shift in the modus operandi of the audiovisual sector triggered by the rapid proliferation of digital platforms. Film production and consumption nevertheless continue to flourish thanks to platforms such as Netflix, Disney+, Amazon Prime Video [5]. Yet, contrary to the expansion of piracy and difficulties in monetization expected in the mid-2010s, the growth of streaming does not entail a collapse of the film market, at least until now. Enumerates five transformations of the market [5]. First, cross-country integration appears as an inevitable trend, yet audiovisual markets resist to a large extent to this tendency. Indeed, unlike books or music, movies and series remain still vastly popular but differ according to location, marking the importance of a strong “local industry” able to diversify offer and fit societies specificities[6]. Second, technology adoption was neither disruptive nor exceptionally rapid, 8 years having been necessary to reach the first 10% of penetration, by comparison about two years to attain that point in music. Besides, the actors present a surprising stability with British-American predominance across various charts [6]. Tax shelters govern the production side for countries such as Canada, France, Belgium, and Luxembourg, yet, contrary to the music sector, the regulatory framework has hardly changed. Improving diversity of the public sphere constitutes a major commitment of cultural policies aimed at promoting national creation [7]. Regulation has followed suit by adapting principles established prior to 2010. In the realm of investment requirements, windowing quota, obligation de diffusion channel or nature quotas remain extensively deemed ill-fitting with the digital and on-demand modes of consumption, excepting a few genres such as documentaries or foreign films [6]. For the various forms of modern expenditures such as VOD catalogues, video-on-demand, etc., provisions defining a minimum share of national works eligible for state-help remain hardly deviated, these delivery forms respecting obligations no longer in tune with current practices[7].

Quotas: Rationale, Design, and Comparative Experiences

Countries with established film industries have introduced a variety of policies for decades to support the sector and stimulate the production of diverse films that respond to local tastes as opposed to the more homogeneous global offerings generated by the major Hollywood companies [3]. Among the most prominent policies are film subsidies and quotas that mandate a certain level of local production. Quotas have historically accompanied a government-imposed distribution sector and/or public funding, but countries can introduce them, even on a standing-alone basis, without infringing upon trade agreements [4]. To date, quotas have been implemented in more than a dozen countries across five continents. Denmark, for example, introduced a screen quota in 1910 and a production-correlated quota in 2003, while Colombia adopted windowing quotas in 1995 2. Jurisdictions can also design quota systems that grab the attention not only of local producers and distributors but also of the international community, as illustrated by a variety of approaches adopted by several nations [3]. For example, Brazil offers a spend quota on theatrical distribution, while Canada implements a share-of-titles quota and Chile relies on a programming-share quota [3]. The cross-country variety of such initiatives provides an opportunity to examine the impacts of different quota designs on a particular set of policy goals. The comparison across numerous

regions having different languages and production levels permits the identification of global tendencies in the outcomes associated with specific quota features [4]. Since at least 2009, moreover, the importance of such studies has increased considerably because the content-consumption behaviour of local audiences on the most popular global streaming platforms is experiencing a pronounced transformation. For instance, the share of domestic titles in global OTT consumption has fallen below the level observed in cinema, rendering the enhancement of diversity in cultural access ever more crucial. Local content already occupies a more prominent position in all other media sectors than in global OTT services, and without remedial measures, this situation is likely to worsen [5]. An abundance of subsidization schemes focused on various objectives, such as attracting inward investments, offsetting production expenses, and promoting workforce development, afford the chance to analyse the relative effectiveness of diverse financial instruments and eligibility rules [5].

Subsidies and Public Financing: Objectives, Mechanisms, and Outcomes

Aiming at boosting local film production and enhancing the commercial viability of domestic films in the face of global competition, government subsidies and public financial incentives cover the majority of the risk in producing, distributing, and marketing a film [3]. The government co-finances 35-93% of the production cost in many countries, and these public finance incentives, besides tax rebates, cash subsidies, and grants are often essential to attract producer and distributors to the countries [4]. The public subsidy governing framework, variations in government subsidy types, and provision of fund evidences whether countries alter their public funding to adapt to the changing distribution landscape from the physical to the digital domain [5]. In parallel with the emergence of players with global footprints such as Netflix, Amazon and Disney, government subsidy systems also face challenges [6]. Global players can operate collectively across countries and platforms, along with the lack of compelling legal foundation for public financial regulation and difficulty in measuring the influence of public subsidies, make many people skeptical about the practice of public fund for film [4].

Diversity in Policy Goals and Industry Practice

Cultural-policy goals frequently invoke the concept of diversity, but this framing is vague and can obscure rather than clarify [3]. This section contextualizes the concept of diversity and identifies five facets of the term. First, policies might seek to diversify the range of stories told on screen, considering factors like genre or tone [4]. Second, policies might promote the inclusion of diverse people on-screen, encouraging the production of stories featuring protagonists from underrepresented backgrounds, people of color, women, LGBTQ+ individuals, and others. Third, policies might aim to broaden the diversity of people behind the camera, in writing, directing, producing, and acting [4]. Fourth, policies might pursue demographic diversity among audiences, in terms of the same characteristics noted for on-screen and behind-the-camera roles. Finally, diversity may encompass a consideration of economic, geographic, or other distinctions across those same populations [5]. A gulf often exists between the rhetoric of public cultural policy toward diversity, in written policy documents, public statements, and institutional literature and the actual practices of the cultural sectors that are subject to such policy [4]. Such a gulf does not imply the absence of a comparative approach; multiple studies quantify diversity in film production and its alignment with other cultural and economic factors, including public support, regulatory design, and the influence of global platforms [3].

Evaluation Frameworks: Measuring Cultural and Economic Impact

Cultural impact assessment frameworks typically aim to measure a broad range of effects, yet cultural policies often address narrower market-oriented goals, and appropriate frameworks remain underdeveloped even for these [5]. Policies regulated markets and enhance access to cultural goods, especially domestic works [6]. Cultural policies have multiple dimensions and each has its own distinct assessment frameworks. Clearer definitions of economic and cultural impacts would enable an accurate mapping of policy dimensions across international experiences [7]. Quantifiable indicators of success can then be associated with each, guiding further adjustments to policy interventions.

Global Variations and Policy Convergences

Policymakers across countries recognize and seek to address the profound transformations reshaping film industries during the transition to the streaming era [6]. At a general level and despite significant regional variations, national cultural policies are converging on three widely shared, albeit somewhat overlapping, objectives: the promotion of domestic production (including audiovisual works produced by national film studios, or by independent producers or service companies supported by public funding) and dissemination (including exhibition, distribution, circulation, online rental or purchase, and, increasingly, the acquisition of rights for adaptation) to bolster the size of the domestic market; the encouragement of diversity, of public and private financing sources and business models along the value chain, or of original stories and voices without undue influence from foreign stakeholders, or of different canonized artistic forms among what is nonetheless privileged as domestic production; and the stimulation of fair competition between domestic services or services and established players, between the domestic service and foreign services, or between different modes of distribution and financing, to ensure equal availability and access for all supply and demand actors [7]. Quotas and subsidies

are two instruments employed across the globe to advance these objectives [6]. Quotas typically deter foreign competition, when they target domestic production, access, or expenditure (e.g., minimum spend, share of all titles) in a linear manner, even though they can also create a degree of contractual relativity as an adjacent market option that encourages the introduction of diverse original and proprietary artworks (e.g., separate contracts at agonistic values in the case of parallel exports for additional theatrical runs)[5]. Subsidies, by contrast, inherently aim to tip the balance in favor of certain options, at both the production and dissemination stages, toward any policy goal (e.g., domestic market, diversity, fairness), the granting of capped assistance for branches such as festival promotion, for exhibiting unreleased domestic works, or for even a secondary independent chain (e.g., up to national level) and yet still, both analysis and observations indicate that cultural policies pursuing such objectives rarely highlight them explicitly, either in the drafting of regulations or in the debate period prior to national legislative discussion[4]. Compile a series of comparisons of national cultural policies regarding platform operations to elucidate the challenges that implementation cases are presently incurring among a variety of nations and that are likely to persist into the future [6]. The decisions being made by public authorities in the platform context reflect an assessment of a wide selection of available policy options, and dissemination is only one of many objectives that public authorities deliberately strive to achieve [6]. At the same time, globally interconnected markets generate yet further complexities for regional regulators regarding the assessment and resolution of particular regulatory issues[6]. Alongside market access, platform, and algorithmic regulation, economic concentration, and certain social considerations, the paradigm of cultural policy itself represents a second broad area of highly active governmental intervention. Coavoux and Aussant underline that contrary to frameworks traditionally envisaged by public authorities as conditioned by structural regularity, what emerges instead is a multifarious variety of design peculiar to both regions and to the fulfillment of their associated ambitions [7].

Challenges and Controversies: Market Power, Accessibility, and Artistic Freedom

The emergence of on-demand streaming platforms has revolutionized the film and audiovisual sectors, introducing new distribution and exhibition modalities on a global scale [2]. These platforms, often referred to as Global Subscription Video-On-Demand (SVOD) services, have fundamentally transformed how films are streamed, exhibited, and consumed [3]. Their compelling economic development, which is achieved through visible and accessible content, generates juggernauts of both commercial and cultural concern globally [3]. As extensive public policy debates unfold regarding government interventions to support the film and audiovisual sector and stimulate domestic production and consumption of cultural content, countries have started to enhance both quantitative and qualitative analyses of the presence and economic characteristics of content on Global SVOD platforms. Such analysis could further strengthen public policy discussions on the film sector [5]. Cultural policy explores how governments seek to proactively promote culture and leverage its powers, such as the economic formation or defence of local languages through various approaches [6]. Even though countries exhibit different governmental skills and cultural policies [7], the common governmental approaches to cultural policy, such as quotas and/or subsidies, could be analysed accordingly. The world is currently going through a streaming era, which raises the need for governments to better understand the diverse content characteristics, particularly pertaining to the local spectrum on Global SVOD platforms [7]. In this regard, both a concept of adequacy for the streaming era and the corresponding variable “global” are contained within the wide urban-based framework, “Cultural Policy,” and thus it is possible to gain a systematic understanding of the streaming era and its correlation with cultural policy whether other indirectly related, unspecified or peripheral contents are discussed [2]. The “Cultural Policy” framework represents a relatively holistic or integral governmental stream, sector or approach [3]. Cultural Policy restricts equally the funding phase from each entry point; and thus it becomes a shared high political consensus among many cities with a strong political focus on cultural preservation and promotion or even ensemble policy stream. Under the general umbrella framework of “Cultural Policy,” analysis could be conducted on the distribution mechanism and characteristic indicators of streaming contents on Global SVOD platforms [4]. A systematic overview of the streaming era and its association with global approaches to production and consumption is provided [5]. Streaming is defined, in a wide sense, as the access to audio-visual or audiovisual contents through wired or wireless telecommunications networks via computers or portable terminals without downloading. Global approaches, in a broad scope, intend to address the international, worldwide or planetary dimensions of Public Policy. Global responses typically associate with the cross-border, global issues or phenomena of Public Policy along with the widely-filed borderless or trans-frontier watermark of Public Policy problems[6]. Global approaches and the streaming era represent two sequential, consecutive, and cyclic phases or modulations. “Streaming” is connected to the perceived behaviour, pattern, diversifying financial mechanism and legal regulations concerning Global Subscription Video-On-Demand platforms. These privately-owned Global Subscription Video-On-Demand platforms play a similar role to the traditional pay-television suppliers but content and exhibition characteristics might change due to the miraculous advances and modifications of means

and instruments. They are typically commonly regarded as consuming both linear and non-linear/audio-visual materials through telecommunications arrangements and individually developed distribution models [7].

Policy Recommendations for Balancing Industry Growth and Cultural Objectives

Despite the dominant concern for ensuring access to online audiovisual content in many regions, an equally important issue is the level of diversity of that content [5]. Access to a given audiovisual good is only one aspect of a functioning audiovisual ecosystem; the makeup of what is available for access completes the picture. As streaming allows cultural goods to be traversed across borders at an unprecedented scale, the richness of local content becomes a priority for many players [6]. Diversity of content is also widely espoused as an economic objective, for instance to sustain the broad consumer base that many platform businesses covet [7]. Without significant investment in English-language and/or American and/or Western European origin content, large swathes of the globe find even localized platform proposals unviable in the long run. Regardless of justifications, diversity is nowadays one of the key terms appearing in content allocation policies and broad statements from cultural authorities, leaving aside issues around what content diversity is [2].

CONCLUSION

The streaming era has introduced both unprecedented opportunities and complex challenges for film industries and cultural policymakers worldwide. While digital platforms have expanded access to audiovisual content and enabled cross-border circulation, they have also concentrated market power in the hands of a few global players, often marginalizing domestic productions. In this context, quotas and subsidies remain essential tools for safeguarding national film industries and promoting cultural diversity. However, their effectiveness is increasingly contingent on adaptive and context-sensitive policy design. Traditional quota systems may struggle to align with on-demand consumption models, while subsidy frameworks face scrutiny regarding efficiency, accountability, and measurable impact. Moreover, the concept of diversity, central to cultural policy requires clearer articulation and more consistent integration into both regulatory frameworks and industry practices. Moving forward, policymakers must adopt more holistic and flexible approaches that address the entire audiovisual value chain, from production to distribution and audience engagement. This includes refining regulatory mechanisms for global platforms, enhancing transparency in content algorithms, and developing comprehensive evaluation frameworks that capture both cultural and economic outcomes. Ultimately, achieving a sustainable balance between industry growth and cultural objectives will depend on coordinated efforts among governments, industry stakeholders, and civil society. By modernizing quotas and subsidies while embracing innovation and inclusivity, cultural policy can better respond to the realities of the streaming era and ensure that diverse voices and stories continue to thrive in the global film landscape.

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